

(Counsel listed on signature pages)

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION**

Quanergy Systems, Inc.,

Plaintiff and Counter-Defendant,

vs.

Velodyne LiDAR, Inc.,

Defendant and Counter-Plaintiff.

Case No. 16-cv-05251-EJD

SECOND JOINT CASE MANAGEMENT
STATEMENT & [PROPOSED] ORDER

Date: November 16, 2017

Time: 10:00 a.m.

Courtroom: 4, 5th Floor, San Jose

Judge: The Hon. Edward J. Davila

The parties to the above-entitled action jointly submit this JOINT CASE MANAGEMENT STATEMENT & PROPOSED ORDER pursuant to this Court's October 4, 2017 Notice Resetting Case Management Conference Following Reassignment (Dkt. No. 97), the November 1, 2014 Standing Order for All Judges of the Northern District of California, this Court's Standing Order for Patent Cases, and Civil Local Rule 16-9.

A. Certification of Claim Construction Order for Immediate Appeal

At this time, neither Quanergy nor Velodyne intend to seek certification of the Court's Claim Construction Order (Dkt. No. 96) for immediate appeal.

B. Dispositive Motions

Quanergy does not intend to file a dispositive motion prior to the further development of facts and theories in discovery. Quanergy reserves all of its rights to file dispositive motions as the case progresses.

Velodyne does not currently intend to file a dispositive motion prior to the further development of facts and theories in discovery. Velodyne reserves all of its rights to file dispositive motions as the case progresses. Specifically, Quanergy has indicated that it "anticipates filing an amended complaint that modifies its claim for declaratory relief and adds

claims for (1) violation of the Lanham Act, (2) False Advertising (California Business and Professions Code, § 17500), (3) Unfair Competition (California Business and Professions Code § 17200) and (4) Common Law Unfair Competition.” Velodyne reserves all rights with respect to these newly-disclosed claims.

C. Advice of Counsel

Quanergy does not intend to rely on the advice-of-counsel defense.

D. Anticipated Post-Claim Construction Discovery

Post-Claim Construction Discovery has not yet commenced. The parties propose to commence post-claim construction discovery on November 20, 2017, after the parties’ mediation on November 17, 2017.

1. Quanergy’s Statement

Quanergy anticipates post-claim construction discovery on the following topics:

Topics relevant to the alleged validity of the ’558 Patent, including but not limited to the alleged invention date, the alleged priority date, the first use and first sale of the claimed invention, the first public knowledge and public disclosure of the claimed invention, inventorship of the claimed invention, and objective considerations relevant to the obviousness of the claimed invention;

Discovery from third parties regarding prior art and invalidity of the ’558 Patent. In addition, per Patent Local Rule 3-6, Quanergy anticipates seeking leave from the Court to serve amended invalidity contentions based on the Court’s Claim Construction order.

Prosecution of the application that issued as the ’558 Patent, including the prosecution of any related patents;

Velodyne’s alleged rights and interest in the ’558 Patent, as well as the rights and interest of any other parties in the ’558 Patent;

The basis for Velodyne’s allegation that Quanergy’s alleged infringement is willful, including the basis for Velodyne’s pursuit of enhanced damages under § 284;

1 The basis for Velodyne's allegation that this case is exceptional, entitling Velodyne to
 2 attorneys' fees under § 285;

3 The basis for Velodyne's pursuit of injunctive relief in this case; and

4 The amount and calculation of damages sought by Velodyne.

5 This list is non-exhaustive and Quanergy reserves the right to seek discovery on any topic
 6 within the permissible scope of discovery under the Federal Rules.

7 **2. Velodyne's Statement**

8 Velodyne anticipates seeking discovery on the following topics¹:

9 Quanergy's alleged infringement of the asserted claims of the '558 patent;

10 Quanergy's alleged willful infringement of the asserted claims of the '558 patent;

11 The damages and injunctive relief to which Velodyne is allegedly entitled as a result of
 12 Quanergy's alleged infringement of the asserted claims of the '558 patent;

13 Quanergy's defenses as set forth in its Answer to Velodyne's Counterclaims. *See* Dkt.
 14 No. 43 at 6-7.

15 This list is non-exhaustive and Velodyne reserves the right to seek discovery on any topic
 16 within the permissible scope of discovery under the Federal Rules.

17 **E. Any Other Pretrial Matters**

18 Depending on the outcome of mediation, Quanergy anticipates filing a petition for *Inter*
 19 *Partes* Review ("IPR") of the '558 Patent with the Patent Trial and Appeal Board no later than
 20 the end of November, 2017. Thereafter, Quanergy anticipates filing a motion seeking a stay of
 21 this action pending the outcome of the IPR. Velodyne will oppose Quanergy's motion to stay
 22 this action pending resolution of an *Inter Partes* Review, should Quanergy file such a motion.

25 ¹ As noted above, Quanergy has indicated that it "anticipates filing an amended complaint that
 26 modifies its claim for declaratory relief and adds claims for (1) violation of the Lanham Act, (2)
 27 False Advertising (California Business and Professions Code, § 17500), (3) Unfair Competition
 28 (California Business and Professions Code § 17200) and (4) Common Law Unfair Competition." Velodyne reserves the right to seek discovery on all topics related to any claims that Quanergy alleges in its amended complaint.

1 **F. Settlement Discussions**

2 The parties have not had any settlement discussions since the filing of the complaint.

3 Quanergy and Velodyne are scheduled to participate in a mediation hearing on November
4 17, 2017, with the Court-appointed mediator.

5 **G. Changes and Updates to Information Provided in the Parties' Initial Joint Case**
6 **Management Statement**

7 The changes and updates to the information provided in the Parties' initial Joint Case
8 Management Statement (Dkt. No. 49) are set forth below.

9 **1. Jurisdiction & Service**

10 This is an action for declaratory relief under the Declaratory Judgment Act, 28 U.S.C.
11 §§ 2201 and 2202, brought by Plaintiff and Counterclaim-Defendant Quanergy Systems, Inc.
12 ("Quanergy"), and for willful infringement of U.S. Patent No. 7,969,558 ("558 patent") under
13 the Patent Laws of the United States, 35 U.S.C. § 1 et seq., brought by Defendant and
14 Counterclaim Plaintiff Velodyne LiDAR, Inc. ("Velodyne"). Accordingly, subject matter
15 jurisdiction is proper in this Court under 28 U.S.C. §§ 1331 and 1338 because these claims arise
16 under federal law.

17 Venue is proper in this District pursuant to 28 U.S.C. § 1391(b), (c), (d) and 1400(b).

18 No issues exist regarding personal jurisdiction or venue.

19 All named parties have been served, and there are no unresolved issues relating to service
20 of process.

21 **Changes and Updates**

22 Quanergy anticipates filing an amended complaint that modifies its claim for declaratory
23 relief and adds claims for (1) violation of the Lanham Act, (2) False Advertising (California
24 Business and Professions Code, § 17500), (3) Unfair Competition (California Business and
25 Professions Code § 17200) and (4) Common Law Unfair Competition.

26 **2. Facts**

27 **Quanergy's Original Statement:**

1 Quanergy filed this action on September 13, 2016, asserting claims of trade secret
2 violations, breach of contract, and seeking a declaratory judgment of non-infringement. On
3 November 18, 2016, Quanergy filed an Amended Complaint (ECF No. 34) seeking a declaratory
4 judgment against Velodyne LiDAR, Inc. (“Velodyne”). Quanergy seeks a declaratory judgment
5 that its M8-1 LiDAR Sensor does not infringe any valid and enforceable claim of Velodyne’s
6 ’558 patent. Quanergy is no longer asserting the other claims from the Complaint.

7 Quanergy is the leader in 3D time-of-flight LiDAR (“Light Detection and Ranging”)
8 sensors, located in Sunnyvale, California. Quanergy’s products include the M8-1 LiDAR
9 Sensor, which can be applied to a variety of platforms to enable rapid 3D detection,
10 measurement, identification, tracking, and classification of items.

11 Quanergy received a letter from Velodyne on August 4, 2016, alleging that Quanergy’s
12 M8-1 LiDAR Sensor infringes the ’558 patent. During a discussion between Quanergy’s counsel
13 and Velodyne’s counsel on August 31, Velodyne stated that the only acceptable outcome was for
14 Quanergy to remove the M8-1 LiDAR Sensor from the market. On September 9, Quanergy
15 stated that it would not agree to do so. As a result of Velodyne’s allegations of infringement,
16 Quanergy now seeks a declaration from this Court that the M8-1 LiDAR Sensor does not
17 infringe any valid and enforceable claim of the ’558 patent.

18 **Quanergy’s Changes and Updates**

19 As stated above, Quanergy anticipates filing an amended complaint that amends its cause
20 of action for declaratory relief of non-infringement and adding four new causes of action.

21 **Velodyne’s Original Statement:**

22 Velodyne is an innovative developer, manufacturer, and supplier of real-time laser
23 imaging detection and ranging (“LiDAR”) sensor technology, which is used in a variety of
24 applications, including autonomous vehicle navigation, vehicle safety systems, 3D mobile and
25 aerial mapping, surveying, security, defense, and industrial automation, among others.
26 Velodyne’s founder David S. Hall introduced Velodyne’s first high-resolution LiDAR sensor,
27 the HDL-64, in 2007. Thereafter, Velodyne quickly emerged as a global leader in LiDAR
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1 technology. Velodyne has invested millions of dollars in developing its technology and, as a
2 result of its substantial investment in research and development, has invented, designed,
3 developed, manufactured, and sold some of the most advanced 3D laser imaging technology in
4 the world.

5 On June 28, 2011, the United States Patent and Trademark Office, after full and fair
6 examination, duly and legally issued the '558 patent, entitled "High Definition LiDAR System,"
7 to David S. Hall. The '558 patent relates to LiDAR-based systems and methods for generating
8 3-D point clouds. Velodyne owns by assignment all rights, title, and interest in the '558 patent,
9 with full rights to enforce the '558 patent, and sue and recover for past, present, and future
10 infringement.

11 Quanergy makes, uses, sells, offers for sale and/or imports into the United States its M8-1
12 LiDAR-based sensor, which is marketed and sold to the same actual and potential customers as
13 Velodyne's sensors that practice the '558 patent. As described in detail in Velodyne's
14 Counterclaims, Quanergy's M8-1 sensor directly and/or indirectly infringes at least one claim of
15 Velodyne's '558 patent, either literally or under the doctrine of equivalents. Quanergy knew of
16 the '558 patent since at least as early as December 25, 2013, when Quanergy cited to the '558
17 patent in a Quanergy patent application. At a minimum, Quanergy knew its M8-1 sensor
18 infringed the '558 patent since August 3, 2016, when Velodyne provided Quanergy with written
19 notice of its infringement. In both Velodyne's August 3, 2016 letter to Quanergy and the
20 conversations that followed, Velodyne asked Quanergy to cease activities that infringed
21 Velodyne's '558 patent and compensate Velodyne for Quanergy's past infringement, but
22 Quanergy refused. Instead, Quanergy chose to file this lawsuit. Consequently, Velodyne
23 brought its Counterclaims seeking damages and injunctive relief, a finding that this case is
24 exceptional, and a finding that Quanergy's infringement has been and continues to be willful.

25 **Velodyne's Changes and Updates**

26 In addition to Velodyne's Original Statement, Velodyne further states that the Court
27 issued its *Markman* Order on October 4, 2017. See Dkt. No. 56. The parties disputed the
28

1 construction of ten terms, seven of which Quanergy proposed for construction. The Court
2 accepted Velodyne's position (in whole or in part) for nine of the ten disputed terms, and
3 rejected all of Quanergy's arguments that the asserted claims are invalid as indefinite. *See, e.g.*,
4 Dkt. No. 56 (*Markman* Order) at 32-33.

5 **3. Legal Issues**

6 The principal disputed legal issues are:

- 7 • The construction or meaning of any disputed claim terms in the asserted claims of the
8 '558 patent;
- 9 • Whether Quanergy directly infringes, either literally or under the doctrine of
10 equivalents, any asserted claim of the '558 patent;
- 11 • Whether Quanergy indirectly infringes, either literally or under the doctrine of
12 equivalents, any asserted claim of the '558 patent;
- 13 • Whether any or all of the claims of the '558 patent are invalid;
- 14 • Whether the '558 patent is unenforceable;
- 15 • If Quanergy infringes a valid claim of the '558 patent, whether Velodyne is entitled to
16 a permanent injunction pursuant to 35 U.S.C. § 283;
- 17 • If Quanergy infringes a valid claim of the '558 patent, whether Velodyne is entitled to
18 damages, including prejudgment and post-judgment interest and its costs incurred in
19 this action, pursuant to 35 U.S.C. § 284;
- 20 • If Quanergy infringes a valid claim of the '558 patent, whether Quanergy's
21 infringement of the '558 patent was willful pursuant to 35 U.S.C. § 284;
- 22 • Whether this case is exceptional under 35 U.S.C. § 285, entitling Velodyne to an
23 award of reasonable attorney's fees;
- 24 • Whether this case is exceptional under 35 U.S.C. § 285, entitling Quanergy to an
25 award of reasonable attorney's fees.

26 **Changes and Updates**

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1 The Court held a technology tutorial and *Markman* hearing on September 13, 2017, and
 2 entered its Claim Construction Order on October 4, 2017, deciding the construction or meaning
 3 of any disputed claim terms in the asserted claims of the '558 patent. *See* Dkt. No. 96. As noted
 4 above, neither party seeks certification of the Court's claim construction order.

5 Additional principal legal disputes include:

- 6 • Whether Velodyne's allegedly false and misleading statements violate the Lanham
 7 Act, California's False Advertising Law, California's Unfair Competition Law,
 8 California common law regarding unfair competition, and Quanergy has been injured
 9 in their businesses as a result of Velodyne's violations;
- 10 • Whether Quanergy is entitled to recover compensatory damages and to recover up to
 11 three times its damages as provided by the Lanham Act, and to recover Velodyne's
 12 profits;
- 13 • Whether Quanergy is entitled to restitution and restitutionary disgorgement of all
 14 profits Velodyne generated from sums wrongfully obtained;
- 15 • Whether Velodyne, its subsidiaries, affiliates, successors, transferees, assignees, and
 16 the respective officers, directors, partners, agents, and employees thereof and all other
 17 persons acting or claiming to act on its behalf should be preliminarily and
 18 permanently enjoined and restrained from continuing to engage in the allegedly
 19 unlawful, unfair, and/or fraudulent practices alleged in the Complaint (including
 20 allegedly disseminating false and misleading statements describing its products that
 21 scan using moving mechanical parts are solid-state).

22 **4. Motions**

23 As of the date of this filing, there are no pending motions.

24 The parties anticipate that, following the close of fact and/or expert discovery, they may
 25 move for summary judgment as to some or all issues in dispute, but it is premature to identify
 26 such issues at this time.

27 **Changes and Updates**

1 As noted above, if this matter is not settled through mediation, Quanergy intends to file a
2 motion to stay the action pending resolution of an *Inter Partes* Review to be filed by the end of
3 November at the U.S. Patent Office. Velodyne will oppose Quanergy's motion to stay this
4 action pending resolution of an *Inter Partes* Review, should Quanergy file such a motion.

5 The parties have provided additional information regarding dispositive motions in
6 Section B above.

7 **5. Amendment of Pleadings**

8 The parties propose that the deadline for amending pleadings to add parties, claims or
9 counterclaims be set for 45 days after the day fact discovery opens.

10 **Updates and Changes**

11 The parties' view is that that the Court has not set a deadline to file amended pleadings,
12 or any other post-*Markman* discovery deadlines.

13 **6. Evidence Preservation**

14 The parties have reviewed the Guidelines Relating to the Discovery of Electronically
15 Stored Information ("ESI"). Additionally, the parties have discussed with their counsel and met
16 and conferred at their F.R.C.P. 26(f) conference regarding reasonable and proportionate steps to
17 preserve evidence relevant to the issues reasonably evident in this action. Each party has
18 implemented a litigation hold with respect to ESI, hardcopy documents, and media that is
19 believed to be reasonably related to the claims and defenses in this action.

20 **Changes and Updates**

21 An order regarding the discovery of electronically stored information, based on the
22 parties' proposed stipulated order, was entered by the Court in this case on February 16, 2017.
23 *See* Dkt. No. 53.

24 **7. Disclosures**

25 Pursuant to F.R.C.P. 26(a), the parties agree to exchange initial disclosures no later than
26 February 9, 2017.

27 **Changes and Updates**

1 The parties exchanged initial disclosures on February 9, 2017.

2 **8. Discovery**

3 **(a) Discovery to Date**

4 Velodyne served Quanergy with a Notice to Inspect Quanergy's accused M8-1 sensor on
5 January 13, 2017. Quanergy has conditionally agreed to making the M8 available for inspection
6 by February 1, 2017 in or near Palo Alto, California subject to the parties' negotiations with
7 respect to logistics. Quanergy does not currently anticipate any issues making the M8 available
8 by February 1, 2017.

9 **Changes and Updates**

10 Quanergy made the M8-1 sensor available on January 31, 2017. Quanergy again made
11 the M8-1 sensor available for inspection on April 18-19, 2017. Quanergy made its source code
12 available for inspection on April 19, 2017.

13 Quanergy has produced 2,225 pages of documents and Velodyne has produced 3,147
14 pages of documents.

15 Quanergy took the deposition of Dr. Craig Glennie on June 27, 2017 in connection with
16 the declaration he submitted in support of Velodyne's claim construction brief. Velodyne took
17 the deposition of Mr. Gary Kamerman on June 30, 2017 in connection with the declaration he
18 submitted in support of Quanergy's claim construction brief.

19 **(b) Scope of Anticipated Discovery**

20 The parties anticipate that the scope of discovery will encompass at least the factual and
21 legal issues identified in Sections 2 and 3 above, and the requested relief discussed in Section 11
22 below, including all related, ancillary, and subsidiary factual and legal issues and matters. The
23 parties intend to pursue discovery in the form of requests for production of documents and
24 things, requests to inspect, requests for admission, interrogatories, depositions, and other forms
25 of discovery authorized by the Federal Rules, including discovery on non-parties.

26 **Changes and Updates**

27 The parties have set forth the scope of anticipated discovery in Section D above.

1 **(c) Report on Stipulated E-Discovery Order**

2 The parties have reviewed the Northern District of California's Model Stipulation and
3 Order Re: Discovery of Electronically Stored Information For Patent Litigation and will jointly
4 submit any proposed modifications to this model stipulation within twenty (20) days after the
5 Case Management Conference.

6 **Changes and Updates**

7 An order regarding the discovery of electronically stored information, based on the
8 parties' proposed stipulated order, was entered by the Court in this case on February 16, 2017.
9 See Dkt. No. 53.

10 **(d) Discovery Plan/Changes to Discovery Limitations**

11 The presumptive limits on discovery provided by the Federal Rules of Civil Procedure
12 and this Court's Local Rules and Standing Orders shall apply, except as provided below.
13 Defendants reserve all rights to seek modifications of the limits discussed below and agree to
14 confer in good faith if a need arises for additional discovery or modifications of discovery limits.

15 **Changes and Updates**

16 The parties' changes and updates are noted in sub-sections below.

17 **i. Rule 26(a) Disclosures**

18 The parties agree to exchange initial disclosures pursuant to Rule 26(a)(1) on February 9,
19 2017.

20 **Changes and Updates**

21 As stated above, Rule 26(a) disclosures were exchanged on February 9, 2017.

22 **ii. Discovery Deadlines**

23 The parties propose that the deadlines for fact and expert discovery be set following entry
24 of a *Markman* order. As set forth in Section 17 below, the parties propose that the Court enter a
25 schedule now that extends through *Markman* order, and that following entry of the *Markman*
26 order, the Court conduct an additional case management conference to address the consequences
27 of the order, including dispositive motions and discovery deadlines.
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Changes and Updates

The parties' new proposed deadlines for fact and expert discovery are set forth in Section 17 below.

iii. Interrogatories

The limits set by the Federal Rules of Civil Procedure apply.

Changes and Updates

The parties have no changes or updates to the foregoing information at this time.

iv. Requests for Admission

There are no limits on the number of requests for admission concerning the authenticity of documents.

Each party is limited to sixty (60) requests for admission regarding substantive matters, absent agreement or leave of Court on a showing of good cause.

Changes and Updates

The parties have no changes or updates to the foregoing information at this time.

v. Requests for Production of Documents and Things

The limits set by the Federal Rules of Civil Procedure apply.

Changes and Updates

The parties have no changes or updates to the foregoing information at this time.

vi. Depositions

Each party shall have 70 hours on the record (*i.e.*, excluding breaks) of fact deposition time (including third parties), whether the time is used in direct examination or cross examination. Included within these limits are depositions of the parties pursuant to Rule 30(b)(6). The parties further agree that depositions requiring translation shall only count as half of the actual hours taken.

Unless otherwise stipulated by the parties or ordered by the Court, the deposition of any individual (fact or expert) is limited to 1 day of 7 hours of testimony on the record.

Changes and Updates

1 The parties have no changes or updates to the foregoing information at this time.

2 **vii. Protective Order**

3 The parties are in the process of negotiating the terms of a stipulated protective order
4 based on the Northern District of California's model. The parties anticipate filing a proposed
5 stipulated protective order (with competing proposals, if necessary) by February 17, 2017.
6 Pursuant to Patent Local Rule 2-2, the Interim Model Protective Order currently governs.

7 **Changes and Updates**

8 A protective order, based on the parties' proposed stipulated protective order, was entered
9 by the Court in this case on March 14, 2017. *See* Dkt. No. 55.

10 **viii. Privilege and Privilege Logs**

11 The parties agree that neither party will produce nor list on any privilege log any item
12 protected by any privilege, immunity, or protection that occurred or was/is created on or after the
13 filing date of this litigation. The parties agree that issues regarding the inadvertent production of
14 privilege or work product material shall be addressed as provided in the Federal Rules of Civil
15 Procedure, the Federal Rules of Evidence, and in the Protective Order to be entered in this case.

16 **Changes and Updates**

17 The parties have no changes or updates to the foregoing information at this time.

18 **ix. Discovery from Experts**

19 The parties propose that the Federal Rules of Civil Procedure and the Local Rules of this
20 Court govern discovery from experts in this case. Specifically, consistent with Federal Rules of
21 Civil Procedure 26(b)(3)(A)-(B) and 26(b)(4), the parties agree that testifying experts or
22 consultants shall not be subject to discovery of any draft report or declaration in this case and
23 such draft reports or declarations, and notes or outlines for draft reports or declarations, are also
24 exempt from discovery. No discovery shall be taken from any expert or consultant who is not
25 designated under Federal Rule of Civil Procedure 26(a)(2) or who does not provide a declaration
26 or testimony in the action except to the extent that such expert or consultant has provided
27 information, opinions or other materials to an expert who is designated under Federal Rule of
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Civil Procedure 26(a)(2) or who provides a declaration or testimony in the action, who then relies upon such information, opinions or other materials in forming his or her opinions offered in this case. No conversations or communications between counsel and any expert or consultant will be subject to discovery unless the conversations or communications are relied upon by such expert or consultant in formulating opinions that are presented in reports or trial or deposition testimony in this case. Materials, communications, and other information exempt from discovery under this Section shall be treated as attorney-work product for the purposes of this litigation and Order.

Changes and Updates

The parties have no changes or updates to the foregoing information at this time.

x. Service

The parties consent to service via email pursuant to Federal Rule of Civil Procedure 5(b)(2)(E).

Documents served on Quanergy shall be sent to the following e-mail address: zQuanergy-Velodyne_Lidar_Lit@cooley.com.

Documents served on Velodyne shall be sent to the following e-mail address: velodyne.lwteam@lw.com.

Changes and Updates

The parties have no changes or updates to the foregoing information at this time.

9. Class Actions

Not applicable.

Changes and Updates

The parties have no changes or updates to the foregoing information at this time.

10. Related Cases

None.

Changes and Updates

The parties have no changes or updates to the foregoing information at this time.

1 **11. Relief**

2 **A. Quanergy's Statement**

3 Quanergy seeks a judgment that it does not infringe any valid and enforceable claim of
4 the '558 Patent. Quanergy seeks equitable relief enjoining Velodyne, and its officers, directors,
5 agents, counsel, servants, and employees and all persons in active concert or participation with
6 any of them, from attempting to enforce the '558 patent against Quanergy or any customer of
7 Quanergy by reason of such customer's use of Quanergy's products. Quanergy seeks a judgment
8 that this case is an exceptional case pursuant to 35 U.S.C. § 285, entitling Quanergy to its
9 attorneys' fees and expenses.

10 Quanergy seeks any such other and further relief as the Court deems just and proper.

11 **Quanergy's Changes and Updates**

12 Quanergy anticipates filing an amended complaint that amends its claim for declaratory
13 relief of non-infringement. In addition, Quanergy seeks a judgment that Velodyne's false and
14 misleading statements violate the Lanham Act, California's False Advertising Law, California's
15 Unfair Competition Law, California common law regarding unfair competition, and Quanergy
16 has been injured in its businesses as a result of Velodyne's violations. Quanergy seeks
17 compensatory damages and up to three times its damages as provided by the Lanham Act, and
18 that it shall recover Velodyne's profits. Quanergy seeks restitution and restitutionary
19 disgorgement of all profits Velodyne generated from sums wrongfully obtained. Quanergy seeks
20 equitable relief that Velodyne, its subsidiaries, affiliates, successors, transferees, assignees, and
21 the respective officers, directors, partners, agents, and employees thereof and all other persons
22 acting or claiming to act on its behalf shall be preliminarily and permanently enjoined and
23 restrained from continuing to engage in the unlawful, unfair, and/or fraudulent practices alleged
24 in the Complaint (including disseminating false and misleading statements describing its
25 products that scan using moving mechanical parts are solid-state). Quanergy seeks both pre-
26 judgment and post-judgment interest at the maximum allowable rate on any amounts awarded.
27 Quanergy seeks its costs of this suit, including reasonable attorneys' fees as provided by law.
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1 Quanergy seeks any such other and further relief as the Court deems just and proper.

2 **B. Velodyne's Statement**

3 Velodyne seeks the relief prayed for in its December 5, 2016 Answer and Counterclaim
4 (Dkt. No. 36), including: (1) a judgment that Quanergy has directly infringed and continues to
5 directly infringe one or more claims of the '558 patent under at least 35 U.S.C. § 271(a); (2) a
6 judgment that Quanergy has indirectly infringed and continues to indirectly infringe one or more
7 claims of the '558 patent under at least 35 U.S.C. § 271 (b) and/or (c); (3) a judgment that
8 Quanergy's infringement under at least 35 U.S.C. §§ 271(a), (b), and (c) has been and continues
9 to be willful; (4) an award of monetary damages, to be obtained from any and all of Quanergy's
10 assets, sufficient to compensate Velodyne for Quanergy's patent infringement, together with
11 interest, pursuant to at least 35 U.S.C. § 284; (5) an award of enhanced damages, to be obtained
12 from any and all of Quanergy's assets, of three times the amount found or assessed for
13 Quanergy's willful patent infringement, pursuant to 35 U.S.C. § 284, including prejudgment
14 interest on such damages; (6) an order finding this case exceptional and awarding Velodyne its
15 attorneys' fees, to be obtained from any and all of Quanergy's assets, pursuant to 35 U.S.C.
16 § 285, including prejudgment interest on such fees; (7) a preliminary and permanent injunction
17 prohibiting Quanergy and its officers, agents, representatives, assigns, licenses, distributors,
18 servants, employees, related entities, attorneys, and all those acting in concert, privity, or
19 participation with them, from: infringing, inducing, or contributing to the infringement of any
20 claim of the '558 patent; (8) an accounting and supplemental damages for all damages occurring
21 after the period for which damages discovery is taken, and after discovery closes, through the
22 Court's decision regarding the imposition of a permanent injunction; (9) an award of Velodyne's
23 costs and expenses of this suit as the prevailing party, to be obtained from any and all of
24 Quanergy's assets; and (10) any other relief as the Court deems necessary, just, and/or proper.

25 **Velodyne's Changes and Updates**

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Velodyne does not currently have any changes to report.²

12. Settlement and ADR

The parties agree that alternative dispute resolution (“ADR”) is premature at this time. The parties met and conferred regarding ADR pursuant to Civil Local Rule 16-8 and ADR Local Rule 3-5, and stipulated to participate in non-binding mediation after this Court enters its *Markman* order.

Changes and Updates

The Court has assigned Vicki Veenker as the Mediator for this case. *See* Dkt. No. 51. The parties have a mediation hearing with Ms. Veenker scheduled for November 17, 2017.

13. Consent to Magistrate Judge For All Purposes

☐ YES ☒ X ☐ NO

All parties have not consented to have a magistrate judge conduct all further proceedings including trial and entry of judgment, except for settlement conference purposes.

Changes and Updates

The parties have no changes or updates to the foregoing information at this time.

14. Other References

The parties do not believe that this case is suitable for reference to binding arbitration, a special master, or the Judicial Panel on Multidistrict Litigation.

Changes and Updates

The parties have no changes or updates to the foregoing information at this time.

15. Narrowing of Issues

It is possible that the parties may move for summary adjudication of particular issues depending on facts emerging in discovery.

² Velodyne reserves all rights with respect to Quanergy’s newly-disclosed claims. *See infra* at 4.

1 The parties agree to limit the number of asserted claims and prior art references as
2 follows, which is consistent with the limits set forth in the Federal Circuit's Model Order
3 Limiting Excess Patent Claims and Prior Art:

- 4 • On February 9, 2017, Velodyne shall serve a Preliminary Election of Asserted
5 Claims, which shall assert no more than fifteen (15) claims from the asserted patent.
6 Velodyne's Preliminary Election of Asserted Claims shall be served in conjunction
7 with its Disclosure of Asserted Claims and Infringement Contentions and
8 accompanying document production under Pat. L.R. 3-1 and 3-2.
- 9 • On March 27, 2017, Quanergy shall serve a Preliminary Election of Asserted Prior
10 Art, which shall assert no more than eighteen (18) prior art references. Each prior art
11 system or publication shall be considered one reference, and the references may be
12 combined as appropriate pursuant to 35 U.S.C. § 103. Quanergy's Preliminary
13 Election of Asserted Prior Art shall be served in conjunction with its Invalidity
14 Contentions and accompanying document production under Pat. L.R. 3-3 and 3-4.
- 15 • Not later than twenty-eight (28) days after the Court issues its *Markman* Order,
16 Velodyne shall serve a Final Election of Asserted Claims, which shall identify no
17 more than eight (8) asserted claims from among the fifteen previously identified
18 claims.
- 19 • Not later than fourteen (14) days after service of a Final Election of Asserted Claims,
20 Quanergy shall serve a Final Election of Prior Art, which shall identify no more than
21 nine (9) asserted prior art references from among the eighteen prior art references
22 previously identified. Each prior art system or publication shall be considered one
23 reference, and the references may be combined as appropriate pursuant to 35 U.S.C. §
24 103.

25 **Changes and Updates**

26 Velodyne served its Preliminary Election of Asserted Claims on February 9, 2017.
27 Quanergy served its Preliminary Election of Asserted Prior Art on March 27, 2017. The parties
28

propose that no further narrowing, of either asserted claims or asserted prior art, is necessary at this time. The parties reserve the right to move to limit the number of asserted claims or prior art references, respectively, at a later date.

16. Expedited Trial Procedure

The parties do not propose that this case proceed on an expedited schedule.

Changes and Updates

The parties have no changes or updates to the foregoing information at this time.

17. Scheduling

Changes and Updates

The parties submit the following chart with their proposed schedule.³

Event	Joint Proposal
Opening of Fact Discovery	November 20, 2017
Last Day to Amend Pleadings	January 4, 2018
Joint Trial Setting Conference Statement	10 days prior to the Trial Setting Conference
Trial Setting Conference	30 days before the close of fact discovery
Close of Fact Discovery	June 29, 2018
Opening Expert Reports by the Party with the Burden of Proof	July 27, 2018
Rebuttal Expert Reports	August 24, 2018
Close of Expert Discovery	September 21, 2018
Deadline for Filing Dispositive Motions	October 12, 2018
Pretrial Conference	TBD
Trial	TBD

³ The previous proposed schedule is omitted to avoid confusion.

1 **18. Trial**

2 The parties have requested trial by jury. Quanergy estimates that the expected length of
3 the trial is 5 days. Velodyne estimates that the expected length of the trial is 10 days.

4 **Changes and Updates**

5 The parties have no changes or updates to the foregoing information at this time.

6 **19. Disclosure of Non-party Interested Entities or Persons**

7 The parties have filed Certifications of Interested Persons or Entities pursuant to Civil
8 Local Rule 3-16.

9 **Quanergy's Statement:**

10 The following person or entities either own more than a 7% equity interest in Quanergy
11 Systems Inc. or otherwise have an interest in the subject matter and/or Quanergy Systems Inc.:

- 12 1. Rising Tide V, LLC
13 2. Louay Eldada
14 3. Tianyue Yu

15 Quanergy has a large number of outstanding shares, some of whose owners are not
16 publicly known. If the Court requires a disclosure of confidential equity interests held by such
17 minority shareholders, Quanergy requests leave to submit such disclosure under seal.

18 **Quanergy's Changes and Updates**

19 Quanergy has no changes or updates to the foregoing information at this time.

20 **Velodyne's Statement:**

21 Velodyne filed its Certificate of Interested Entities or Persons on December 5, 2016 (Dkt.
22 No. 20). Velodyne reported that it has no parent corporations or other entities owning 10% or
23 more of its stock, and there are no persons, associations of persons, firms, partnerships,
24 corporations (including parent corporations) or other entities other than Defendant Velodyne
25 LiDAR, Inc. that (i) have a financial interest in the subject matter in controversy or in a party to
26 the proceeding; or (ii) have a nonfinancial interest in that subject matter or in a party that could
27 be substantially affected by the outcome of this proceeding.
28

1 **Velodyne's Changes and Updates**

2 None.

3 **20. Professional Conduct**

4 All attorneys of record for the parties have reviewed the Guidelines for Professional
5 Conduct for the Northern District of California.

6 **Changes and Updates**

7 The parties have no changes or updates to the foregoing information at this time.

8 **21. Other**

9 The parties have no other matters at this time that may facilitate the just, speedy, and
10 inexpensive disposition of this matter.

11 **Changes and Updates**

12 The parties have no changes or updates to the foregoing information at this time.

13 //

14 //

Dated: November 9, 2017

Respectfully Submitted,

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/s/ Erik B. Milch

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ATTESTATION

Pursuant to Civil Local Rule 5-1(i)(3), I hereby attest that the concurrence in the filing of this document has been obtained from the other signatory.

Dated: November 9, 2017

By:

/s/ Erik B. Milch

Erik B. Milch

CASE MANAGEMENT ORDER

The above JOINT CASE MANAGEMENT STATEMENT & PROPOSED ORDER is approved as the Case Management Order for this case and all parties shall comply with its provisions. [In addition, the Court makes the further orders stated below:]

IT IS SO ORDERED.

Dated:

UNITED STATES DISTRICT JUDGE